

THE HONORABLE ROBERT J. BRYAN

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
WASHINGTON

ROSITA H. SMITH, individually and on behalf
of all similarly situated Washington State
Residents

Plaintiff,

v.

LEGAL HELPERS DEBT RESOLUTION,
LLC, a Nevada limited liability company;
LEGAL SERVICES SUPPORT GROUP, LLC,
a Nevada corporation; JEM GROUP, INC., a
Nevada corporation; MARSHALL BANKS,
LLC, a California company; JOANNE
GARNEAU, individually and on behalf of the
marital community of JOANNE GARNEAU
and ARTHUR GARNEAU; JASON SEARNS,
individually and on behalf of the marital
community of JASON SEARNS and JANE
DOE SEARNS; THOMAS G. MACEY,
individually and on behalf of the marital
community of THOMAS G. MACEY and
JANE DOE MACEY; and JEFFREY
ALEMAN, individually and on behalf of the
marital community of JEFFREY ALEMAN and
JANE DOE ALEMAN; JEFFREY HYSLIP,
individually and on behalf of the marital
community of JEFFREY HYSLIP and JANE
DOE HYSLIP; and JOHN AND JANE DOES
1-25,

Defendants.

NO. 3:11-cv-05054-RJB

**ORDER GRANTING PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT**

1 WHEREAS, on September 10, 2013, this Court entered its Order Granting Preliminary
2 Approval of Class Action Settlement (Dkt. No. 181) (the "Preliminary Approval Order"); and

3 WHEREAS, individual notice complying with Fed. R. Civ. P. 23 was sent to the last-
4 known address of each reasonably identifiable member of the Settlement Class, and where
5 follow-up procedures outlined in the Settlement Agreement and approved by the Preliminary
6 Approval Order have been completed; and

7 WHEREAS, a fairness hearing on final approval of the settlement was held before the
8 Court on December 12, 2013; and

9 WHEREAS, the Court, being advised, finds that good cause exists for entry of the
10 below Order; now, therefore,

11 IT IS HEREBY FOUND, ORDERED, ADJUDGED AND DECREED THAT:

12 1. Unless otherwise provided herein, all capitalized terms in this Order shall have
13 the same meaning as set forth in the Settlement Agreement attached as Exhibit 1 to the Praecipe
14 filed at Dkt. No. 180 and/or Plaintiff's Motion for Preliminary Approval (Dkt. No. 177).

15 2. The Court finds that notice to the Settlement Class has been completed in
16 conformity with the Preliminary Approval Order. The Court finds that this notice was the best
17 notice practicable under the circumstances, that it provided due and adequate notice of the
18 proceedings and of the matters set forth therein, and that it fully satisfied all applicable
19 requirements of law and due process.

20 3. The Court finds that notice of the Settlement Agreement has been provided to
21 the United States Attorney General and the Washington State Attorney General in accordance
22 with 28 U.S.C. § 1715.

23 4. The Court finds it has personal and subject matter jurisdiction over all claims
24 asserted in this Litigation with respect to all members of the Settlement Class.

25 5. Pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure, the Court
26 certifies for settlement purposes only the following Settlement Class: "All Washington

1 residents for whom JEM Group, Inc. agreed to provide debt adjusting services pursuant to JEM
2 Group, Inc. Agreements or otherwise provided debt adjustment services to such residents
3 between January 19, 2007 and August 5, 2013.”

4 6. In connection with this conditional certification, the Court makes the following
5 findings:

6 (a) The Settlement Class is so numerous that joinder of all members is
7 impracticable;

8 (b) There are questions of law or fact common to the Settlement Class for
9 purposes of determining whether this settlement should be approved;

10 (c) Plaintiff’s claims are typical of the claims being resolved through the
11 proposed settlement;

12 (d) Plaintiff is capable of fairly and adequately protecting the interests of the
13 Settlement Class members in connection with the proposed settlement;

14 (e) For purposes of determining whether the settlement is fair, reasonable
15 and adequate, common questions of law and fact predominate over questions affecting only
16 individual Settlement Class members. Accordingly, the Settlement Class is sufficiently
17 cohesive to warrant settlement by representation; and

18 (f) For purposes of settlement, certification of the Settlement Class is
19 superior to other available methods for the fair and efficient settlement of the claims of the
20 Settlement Class members.

21 7. The Court has appointed Rosita Smith as representative of the Settlement Class.

22 8. The Court has appointed Darrell Scott and Matthew Zuchetto of The Scott Law
23 Group, P.S. and Toby Marshall and Erika Nusser of Terrell Marshall Daudt & Willie PLLC as
24 counsel for the Settlement Class.

25 9. No Settlement Class member has lodged an objection to the Settlement.
26

1 10. The terms set forth in the Settlement are approved as being fair, adequate, and
 2 reasonable in light of the degree of recovery obtained in relation to the risks faced by the
 3 Settlement Class in litigating the claims. The Settlement Class is properly certified as part of
 4 the settlement. The relief provided to the Settlement Class under the Settlement Agreement is
 5 appropriate as to the individual members of the Settlement Class and as a whole.

6 11. The Court approves the payment of \$52,500 in fees and \$6,914.27 in litigation
 7 costs and claims administrations expenses to Class Counsel as fair and reasonable based on the
 8 lodestar and percentage-of-the-fund methods, which courts use to determine the reasonableness
 9 of fees. The Court reaches this conclusion after analyzing (1) the number of hours Class
 10 Counsel reasonably expended on the litigation multiplied by counsel's reasonable hourly rates;
 11 (2) the substantial financial recovery for Settlement Class members (3) the diligent and
 12 efficient effort utilized by Class Counsel in litigating Plaintiff's claims; (4) Class Counsel's
 13 substantial experience in complex litigation and skill utilized to achieve the Settlement; and (5)
 14 the hurdles to certifying the Settlement Class and proving liability and damages at trial.

15 12. The Court approves the incentive payment of \$750 to Plaintiff Rosita Smith.
 16 This award reasonably compensates Plaintiff Smith for her time and effort in stepping forward
 17 to serve as proposed class representative, assisting in the investigation, keeping abreast of the
 18 litigation, and reviewing and approving the proposed settlement terms after consulting with
 19 Class Counsel.

20 13. The Settlement is binding on all Settlement Class members.

21 14. Each member of the Settlement Class shall be entitled to receive a pro rata share
 22 of the Net Settlement Proceeds as set forth in the respective Settlement Agreement. Any
 23 Settlement Class Member who fails to cash or deposit a disbursement check issued to that
 24 member after a period of 180 calendar days has elapsed from the date on which the
 25 disbursement check was issued will not receive a share of relevant Net Settlement Proceeds but
 26 will be bound nevertheless by the terms of the Settlement Agreement.

1 15. All Settlement Class Members are bound by the terms of the Settlement
2 Agreement with the JEM Defendants. As of that Settlement Agreement's Effective Date, all
3 Settlement Class Members shall conclusively be deemed to have irrevocably released,
4 relinquished, and forever discharged all claims against all released entities and individuals as
5 set forth in the Settlement Agreement. The Settlement Agreement with the JEM Defendants
6 provides: "As of the Effective Date of this Settlement Agreement, Plaintiff and each and every
7 member of the Settlement Class, individually and as a Settlement Class, for themselves, their
8 attorneys, spouses, executors, representatives, heirs, successors, and assigns, in consideration of
9 the relief set forth in the Class Settlement Agreement, the sufficiency of which is
10 acknowledged, will, to the extent permitted by law and subject only to the exception set forth in
11 Section III.B below, fully and finally release the JEM Defendants, and all present and former
12 members, officers, managers and employees, shareholders, directors, attorneys, and
13 representatives of JEM Group, Inc., and their respective spouses, successors and assigns, from
14 any and all past or present claims, debts, demands, causes of action, liabilities, losses,
15 obligations, costs, fees, interest, attorneys' fees, expenses, damages, punitive damages, and
16 injuries of every kind, nature and description that directly or indirectly relate to, or arise out of,
17 or stem from the subject matter of this Action or any matters, transactions, occurrences, or
18 omissions referred to in the pleadings or other papers filed or produced in this Action. The
19 released claims include but are not limited to statutory claims under Washington's Debt
20 Adjusting Law (Chapter 18.28 RCW) and Consumer Protection Act (Chapter 19.86 RCW), or
21 other state or federal statutory laws or regulations, and common law claims, whether found in
22 tort or contract."

23 16. Neither this Order nor any aspect of the Settlement Agreement is to be construed
24 or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of the
25 JEM Defendants. Each of the Parties to the settlement entered into the Settlement Agreement
26

1 with the intention to avoid further disputes and litigation with the attendant inconvenience and
2 expenses.

3 17. This Court hereby dismisses this action with prejudice as to all Settlement Class
4 members.

5 18. The Clerk shall enter final judgment dismissing with prejudice all claims against
6 the following Defendants: JEM Group, Inc., and Joanne Garneau, individually and on behalf of
7 the marital community of Joanne Garneau and Arthur Garneau. This dismissal shall be without
8 costs or attorneys' fees to any Party.

9 19. The dismissal of the claims against the JEM Defendants is without prejudice to
10 the rights of the Parties to enforce the terms of the Settlement Agreement and the rights of
11 Class Counsel to seek the payment of fees and costs as provided for in the Settlement
12 Agreement. Without affecting the finality of this Order, or the judgment to be entered pursuant
13 hereto, in any way, the Court retains jurisdiction over the claims against the JEM Defendants
14 for purposes of resolving any disputes that may arise under the Class Settlement Agreement.

15 20. The dismissal of the claims against the JEM Defendants is without prejudice to
16 the rights of Plaintiff and Settlement Class members to pursue claims against the non-settling
17 Defendants in this action, including Legal Services Support Group, LLC.

18 DONE IN OPEN COURT this 12th day of December, 2013.

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20
21 ROBERT J. BRYAN
22 United States District Judge
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RESPECTFULLY PRESENTED BY AND DATED this 9th day of December, 2013.

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